

Attachment A

SEC. 203. HEALTH INSURANCE ASSISTANCE FOR ELIGIBLE INDIVIDUALS.

(a) ELIGIBILITY FOR GRANTS- Section 173(a) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(a)) is amended--

- (1) in paragraph (2), by striking 'and' at the end;
- (2) in paragraph (3), by striking the period and inserting `; and'; and
- (3) by adding at the end the following:
- (4) from funds appropriated under section 174(c)--

(A) to a State or entity (as defined in section 173(c)(1)(B)) to carry out subsection (f), including providing assistance to eligible individuals; and

(B) to a State or entity (as so defined) to carry out subsection (g), including providing assistance to eligible individuals.'.

(b) USE OF FUNDS FOR HEALTH INSURANCE COVERAGE- Section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) is amended by adding at the end the following:

(f) HEALTH INSURANCE COVERAGE ASSISTANCE FOR ELIGIBLE INDIVIDUALS-

(1) IN GENERAL- Funds made available to a State or entity under paragraph (4)(A) of subsection (a) may be used by the State or entity for the following:

(A) HEALTH INSURANCE COVERAGE- To assist an eligible individual and such individual's qualifying family members in enrolling in qualified health insurance.

(B) ADMINISTRATIVE AND START-UP EXPENSES- To pay the administrative expenses related to the enrollment of eligible individuals and such individuals' qualifying family members in qualified health insurance, including--

- (i) eligibility verification activities;
- (ii) the notification of eligible individuals of available qualified health insurance options;
- (iii) processing qualified health insurance costs credit eligibility certificates provided for under section 7527 of the Internal Revenue Code of 1986;
- (iv) providing assistance to eligible individuals in enrolling in qualified health insurance;
- (v) the development or installation of necessary data management systems; and

(vi) any other expenses determined appropriate by the Secretary, including start-up costs and ongoing administrative expenses to carry out clauses (iv) through (ix) of paragraph (2)(A).

(2) QUALIFIED HEALTH INSURANCE- For purposes of this subsection and subsection (g)--

(A) IN GENERAL- The term 'qualified health insurance' means any of the following:

(i) Coverage under a COBRA continuation provision (as defined in section 733(d)(1) of the Employee Retirement Income Security Act of 1974).

(ii) State-based continuation coverage provided by the State under a State law that requires such coverage.

(iii) Coverage offered through a qualified State high risk pool (as defined in section 2744(c)(2) of the Public Health Service Act).

(iv) Coverage under a health insurance program offered for State employees.

(v) Coverage under a State-based health insurance program that is comparable to the health insurance program offered for State employees.

(vi) Coverage through an arrangement entered into by a State and--

(I) a group health plan (including such a plan which is a multi-employer plan as defined in section 3(37) of the Employee Retirement Income Security Act of 1974),

(II) an issuer of health insurance coverage,

(III) an administrator, or

(IV) an employer.

(vii) Coverage offered through a State arrangement with a private sector health care coverage purchasing pool.

(viii) Coverage under a State-operated health plan that does not receive any Federal financial participation.

(ix) Coverage under a group health plan that is available through the employment of the eligible individual's spouse.

(x) In the case of any eligible individual and such individual's qualifying family members, coverage under individual health insurance if the eligible individual was covered under individual health insurance during the entire 30-day period that ends on the date that such individual became separated from the employment which qualified such individual for--

(I) in the case of an eligible TAA recipient, the allowance described in section 35(c)(2) of the Internal Revenue Code of 1986,

(II) in the case of an eligible alternative TAA recipient, the benefit described in section 35(c)(3)(B) of such Code, or

(III) in the case of any eligible PBGC pension recipient, the benefit described in section 35(c)(4)(B) of such Code.

For purposes of this clause, the term 'individual health insurance' means any insurance which constitutes medical care offered to individuals other than in connection with a group health plan and does not include Federal- or State-based health insurance coverage.

(B) REQUIREMENTS FOR STATE-BASED COVERAGE-

(i) IN GENERAL- The term 'qualified health insurance' does not include any coverage described in clauses (ii) through (viii) of subparagraph (A) unless the State involved has elected to have such coverage treated as qualified health insurance under this paragraph and such coverage meets the following requirements:

(I) GUARANTEED ISSUE- Each qualifying individual is guaranteed enrollment if the individual pays the premium for enrollment or provides a qualified health insurance costs credit eligibility certificate described in section 7527 of the Internal Revenue Code of 1986 and pays the remainder of such premium.

(II) NO IMPOSITION OF PREEXISTING CONDITION EXCLUSION- No pre-existing condition limitations are imposed with respect to any qualifying individual.

(III) NONDISCRIMINATORY PREMIUM- The total premium (as determined without regard to any subsidies) with respect to a qualifying individual may not be greater than the total premium (as so determined) for a similarly situated individual who is not a qualifying individual.

(IV) SAME BENEFITS- Benefits under the coverage are the same as (or substantially similar to) the benefits provided to similarly situated individuals who are not qualifying individuals.

(ii) QUALIFYING INDIVIDUAL- For purposes of this subparagraph, the term 'qualifying individual' means--

(I) an eligible individual for whom, as of the date on which the individual seeks to enroll in clauses (ii) through (viii) of subparagraph (A), the aggregate of the periods of creditable coverage (as defined in section 9801(c) of the Internal Revenue Code of 1986) is 3 months or longer and who, with respect to any month, meets the requirements of clauses (iii) and (iv) of section 35(b)(1)(A) of such Code; and

(II) the qualifying family members of such eligible individual.

(C) EXCEPTION- The term 'qualified health insurance' shall not include--

(i) a flexible spending or similar arrangement, and

(ii) any insurance if substantially all of its coverage is of excepted benefits described in section 733(c) of the Employee Retirement Income Security Act of 1974.

(3) AVAILABILITY OF FUNDS-

(A) EXPEDITED PROCEDURES- With respect to applications submitted by States or entities for grants under this subsection, the Secretary shall--

(i) not later than 15 days after the date on which the Secretary receives a completed application from a State or entity, notify the State or entity of the determination of the Secretary with respect to the approval or disapproval of such application;

(ii) in the case of an application of a State or other entity that is disapproved by the Secretary, provide technical assistance, at the request of the State or entity, in a timely manner to enable the State or entity to submit an approved application; and

(iii) develop procedures to expedite the provision of funds to States and entities with approved applications.

(B) AVAILABILITY AND DISTRIBUTION OF FUNDS- The Secretary shall ensure that funds made available under section 174(c)(1)(A) to carry out subsection (a)(4)(A) are available to States and entities throughout the period described in section 174(c)(2)(A).

(4) ELIGIBLE INDIVIDUAL DEFINED- For purposes of this subsection and subsection (g), the term 'eligible individual' means--

(A) an eligible TAA recipient (as defined in section 35(c)(2) of the Internal Revenue Code of 1986),

(B) an eligible alternative TAA recipient (as defined in section 35(c)(3) of the Internal Revenue Code of 1986), and

(C) an eligible PBGC pension recipient (as defined in section 35(c)(4) of the Internal Revenue Code of 1986),

who, as of the first day of the month, does not have other specified coverage and is not imprisoned under Federal, State, or local authority.

(5) QUALIFYING FAMILY MEMBER DEFINED- For purposes of this subsection and subsection (g)--

(A) IN GENERAL- The term 'qualifying family member' means--

(i) the eligible individual's spouse, and

(ii) any dependent of the eligible individual with respect to whom the individual is entitled to a deduction under section 151(c) of the Internal Revenue Code of 1986.

Such term does not include any individual who has other specified coverage.

(B) SPECIAL DEPENDENCY TEST IN CASE OF DIVORCED PARENTS, ETC- If paragraph (2) or (4) of section 152(e) of such Code applies to any child with respect to any calendar year, in the case of any taxable year beginning in such calendar year, such child shall be treated as described in subparagraph (A)(ii) with respect to the custodial parent (within the meaning of section 152(e)(1) of such Code) and not with respect to the noncustodial parent.

(6) STATE- For purposes of this subsection and subsection (g), the term 'State' includes an entity as defined in subsection (c)(1)(B).

(7) OTHER SPECIFIED COVERAGE- For purposes of this subsection, an individual has other specified coverage for any month if, as of the first day of such month--

(A) SUBSIDIZED COVERAGE-

(i) IN GENERAL- Such individual is covered under any insurance which constitutes medical care (except insurance substantially all of the coverage of which is of excepted benefits described in section 9832(c) of the Internal Revenue Code of 1986) under any health plan maintained by any employer (or former employer) of the taxpayer or the taxpayer's spouse and at least 50 percent of the cost of such coverage (determined under section 4980B of such Code) is paid or incurred by the employer.

(ii) ELIGIBLE ALTERNATIVE TAA RECIPIENTS- In the case of an eligible alternative TAA recipient (as defined in section 35(c)(3) of the Internal Revenue Code of 1986), such individual is either--

(I) eligible for coverage under any qualified health insurance (other than insurance described in clause (i), (ii), or (vi) of paragraph (2)(A)) under which at least 50 percent of the cost of coverage (determined under section 4980B(f)(4) of such Code) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse, or

(II) covered under any such qualified health insurance under which any portion of the cost of coverage (as so determined) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse.

(iii) TREATMENT OF CAFETERIA PLANS- For purposes of clauses (i) and (ii), the cost of coverage shall be treated as paid or incurred by an employer to the extent the coverage is in lieu of a right to receive cash or other qualified benefits under a cafeteria plan (as defined in section 125(d) of the Internal Revenue Code of 1986).

(B) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP- Such individual--

(i) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

(ii) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928 of such Act).

(C) CERTAIN OTHER COVERAGE- Such individual--

(i) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code, or

(ii) is entitled to receive benefits under chapter 55 of title 10, United States Code.

(g) INTERIM HEALTH INSURANCE COVERAGE AND OTHER ASSISTANCE-

(1) IN GENERAL- Funds made available to a State or entity under paragraph (4)(B) of subsection (a) may be used by the State or entity to provide assistance and support services to eligible individuals, including health care coverage to the extent provided under subsection (f)(1)(A), transportation, child care, dependent care, and income assistance.

(2) INCOME SUPPORT- With respect to any income assistance provided to an eligible individual with such funds, such assistance shall supplement and not supplant other income support or assistance provided under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) (as in effect on the day before the effective date of the Trade Act of 2002) or the unemployment compensation laws of the State where the eligible individual resides.

(3) HEALTH INSURANCE COVERAGE- With respect to any assistance provided to an eligible individual with such funds in enrolling in qualified health insurance, the following rules shall apply:

(A) The State or entity may provide assistance in obtaining such coverage to the eligible individual and to such individual's qualifying family members.

(B) Such assistance shall supplement and may not supplant any other State or local funds used to provide health care coverage and may not be included in determining the amount of non-Federal contributions required under any program.

(4) AVAILABILITY OF FUNDS-

(A) EXPEDITED PROCEDURES- With respect to applications submitted by States or entities for grants under this subsection, the Secretary shall--

(i) not later than 15 days after the date on which the Secretary receives a completed application from a State or entity, notify the State or entity of the determination of the Secretary with respect to the approval or disapproval of such application;

(ii) in the case of an application of a State or entity that is disapproved by the Secretary, provide technical assistance, at the request of the State or entity, in a timely manner to enable the State or entity to submit an approved application; and

(iii) develop procedures to expedite the provision of funds to States and entities with approved applications.

(B) AVAILABILITY AND DISTRIBUTION OF FUNDS- The Secretary shall ensure that funds made available under section 174(c)(1)(B) to carry out subsection (a)(4)(B) are available to States and entities throughout the period described in section 174(c)(2)(B).

(5) INCLUSION OF CERTAIN INDIVIDUALS AS ELIGIBLE INDIVIDUALS- For

purposes of this subsection, the term `eligible individual' includes an individual who is a member of a group of workers certified after April 1, 2002, under chapter 2 of title II of the Trade Act of 1974 (as in effect on the day before the effective date of the Trade Act of 2002) and is participating in the trade adjustment allowance program under such chapter (as so in effect) or who would be determined to be participating in such program under such chapter (as so in effect) if such chapter were applied without regard to section 231(a)(3)(B) of the Trade Act of 1974 (as so in effect).'

(c) AUTHORIZATION OF APPROPRIATIONS- Section 174 of the Workforce Investment Act of 1998 (29 U.S.C. 2919) is amended by adding at the end the following:

(c) ASSISTANCE FOR ELIGIBLE WORKERS-

(1) AUTHORIZATION AND APPROPRIATION FOR FISCAL YEAR 2002- There are authorized to be appropriated and appropriated--

(A) to carry out subsection (a)(4)(A) of section 173, \$10,000,000 for fiscal year 2002; and (B) to carry out subsection (a)(4)(B) of section 173, \$50,000,000 for fiscal year 2002.

(2) AUTHORIZATION OF APPROPRIATIONS FOR SUBSEQUENT FISCAL YEARS- There are authorized to be appropriated--

(A) to carry out subsection (a)(4)(A) of section 173, \$60,000,000 for each of fiscal years 2003 through 2007; and

(B) to carry out subsection (a)(4)(B) of section 173--

(i) \$100,000,000 for fiscal year 2003; and

(ii) \$50,000,000 for fiscal year 2004.

(3) AVAILABILITY OF FUNDS- Funds appropriated pursuant to--

(A) paragraphs (1)(A) and (2)(A) for each fiscal year shall, notwithstanding section 189(g), remain available for obligation during the pendency of any outstanding claim under the Trade Act of 1974, as amended by the Trade Act of 2002; and

(B) paragraph (1)(B) and (2)(B), for each fiscal year shall, notwithstanding section 189(g), remain available during the period that begins on the date of enactment of the Trade Act of 2002 and ends on September 30, 2004.'

(d) CONFORMING AMENDMENT- Section 132(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2862(a)(2)(A)) is amended by inserting `, other than under subsection (a)(4), (f), and (g)' after `grants'.